MINUTES

I. General Opening Items
   A. Call meeting to order
      Chair Robert Salisbury called the meeting to order at 11:02 a.m.
      
   B. Roll Call
      Members Present Chair Robert Salisbury, Manatee County, Florida; Dan DeMent, Allegan County, Michigan; Randy Eberts, Kalamazoo County, Michigan; Dean Bergy, Kalamazoo County, Michigan and Sandi Doctor, Kalamazoo County, Michigan
      
      Members Absent None
      
   C. Introduction of Guests
      Steve Vicenzi, CFO/Director Management Services; Chris Ruppel, Merion Capital; Neena Porter, Management Services Coordinator; Clyde Robinson, City Attorney; Mayor David Anderson; Rob McDougall, Katie Richards, Lynn Zhang and Rob Nelson from Zhang Financial; also present Nick Griffith and Joshua Sledge observing as potential committee members.
      
   D. Approval of minutes from August 26, 2020 meeting
      A motion was made by Ms. Doctor and seconded by Mr. DeMent to approve the minutes from the August 26, 2020 meeting. The motion carried by voice vote.

II. Foundation For Excellence
   A. Investment Portfolio
      1. Assets on September 30, 2020
      Mr. Vicenzi reviewed the assets as of September 30, 2020
      
      2. Investment Performance Report
      Mr. Ruppel reviewed the investment performance report
The market value of portfolio assets increased from $85.5 to $89.6 million during the third quarter of 2020; an increase of $4.1 million or 4.80%.

The portfolio weighted average return for the quarter, net of manager fees, was 5.00%. The return since May 1, 2020, net of manager fees, through the end of the quarter has been 10.60%

Equities comprised 54.2% of the Kalamazoo Foundation For Excellence portfolio at the end of the quarter. The equity portion of the portfolio returned 8.93% during the third quarter. The return since May 1, 2020 for equity through the end of the quarter has been 19.22%

Fixed income comprised 45.7% of the Kalamazoo Foundation For Excellence portfolio at the end of the quarter. The fixed income portion of the portfolio returned 0.72% during the third quarter. The return since May 1, 2020 for fixed income through the end of the quarter has been 1.94%

Cash and equivalents were approximately $76,000 or 0.1% of the assets.

The portfolio finished the quarter with 54.2% in equities, 45.7% in fixed income, and 0.1% in cash. The portfolio target allocation is 50% equities, 50% fixed income, and 0% cash.

The inflation-adjusted, or real return, for the quarter was 4.03% as the inflation rate for the quarter was 0.96%. Since May 1, 2020, the return on the portfolio, net of manager fees, has been 10.60% nominal and 9.08% real.

A motion was made by Mr. Salisbury and seconded by Mr. Eberts to change the asset rebalancing stating that special rebalancing will be done when variances on equities or fixed income reaches 3% from target. The motion carried by roll call vote as follows:

Ayes: Bob Salisbury, Randy Eberts, Dean Bergy, Dan DeMent, Sandi Doctor
Nays: None
Abstains: None
Absent: None

B. Account Update

1. 2020 Q3 Review Expenses/Approval

Mr. Vicenzi presented the quarterly expenses.

A motion was made by Mr. Bergy and seconded by Mr. DeMent to approve the expenses for the 3rd quarter. The motion carried by roll call vote as follows:

Ayes: Bob Salisbury, Randy Eberts, Dean Bergy, Dan DeMent, Sandi Doctor
Nays: None
Abstains: None
Absent: None

2. 2020Q3 Review of Cash Flow

S. Vicenzi
Mr. Vicenzi presented the Cash Flow report.

C. Communications

1. Derivatives Reports

   Mr. Ruppel presented.

2. Jennison Quarterly Overview

   Mr. Ruppel presented

3. Articles of Interest

   Mr. Ruppel presented

4. Other

D. Due Diligence / Education / Governance

1. Activity Reports

   Will be virtual for the foreseeable future

3. Future Due Diligence / Education

   Education will be virtual for the foreseeable future

4. Corporate Governance

   Nothing to present this quarter

E. Old / New Business

1. Nomination of new committee members

   A motion was made by Mr. Salisbury and seconded by Mr. Eberts to recommend the nomination of Joshua Sledge and Nick Griffith as members of the Investment Subcommittee. The motion carried by roll call vote as follows:

   Ayes:    Bob Salisbury, Randy Eberts, Dean Bergy, Dan DeMent, Sandi Doctor
   Nays:    None
   Abstains: None
   Absent:  None

2. E & O Insurance
KALAMAZOO FOUNDATION FOR EXCELLENCE
Investment Subcommittee Meeting
Quarter Ending September 30, 2020
Meeting of Wednesday, December 2, 2020 at 11:00 AM
ZOOM Meeting Hosted by City of Kalamazoo

Mr. Vicenzi noted there may be a word missing from the policy. He is working to have the correction made.

F. Structure of future meetings

S. Vicenzi

Attorney Clyde Robinson discussed that prior to the pandemic a quorum of attendees was required to be in the same physical location. During the pandemic, a quorum has been allowed via remote participation under the authority granted by Public Act 228 of 2020. Legislation on future remote meetings is currently working through the governmental bodies. When finalized Mr. Robinson will share the decisions made.

III. General Closing Items

A. Future Meetings

R. Salisbury

2020Q4 Wednesday, February 24, 2021 at 11:00 am
2021Q1 Wednesday, May 26, 2021 at 11:00 am
2021Q2 Wednesday, August 25, 2021 at 11:00 am
2021Q3 Wednesday, December 1, 2021 at 11:00 am

Public Comment

Mr. Vicenzi noted no public comments for this meeting.

B. “Around the Table”

R. Salisbury

C. Adjourn

R. Salisbury

Chair R. Salisbury adjourned the meeting at 11:17 a.m.

Sincerely,

Steve Vicenzi,
Secretary